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## Tasini v. New York Times: Problem of Unauthorized Secondary Usage of An Author's Works

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# TASINI V. NEW YORK TIMES: THE PROBLEM OF UNAUTHORIZED SECONDARY USAGE OF AN AUTHOR'S WORKS

## I. INTRODUCTION

The Internet has become the driving force of the information age, forcing those in the business of communication to change the way they look at the world. The Internet and the World Wide Web allow for virtually unregulated access for millions of users to the "information superhighway."<sup>1</sup> It is changing the ways people communicate with one another, the way people entertain themselves, and the way that people obtain information. With the technology available, items posted on the World Wide Web can be accessed from nearly anywhere in the world. For decades, people have relied on the morning newspaper and the nightly news programs as their main source of information. The availability of information from the Internet may be bringing those days to an end. Unsurprisingly, breakthroughs in communication are forcing those in the media to adapt to the new technology if they want to maintain their audiences. These breakthroughs are also pushing the limits of the law. In many areas, the evolution of the law has not maintained pace with the evolution of technology.

For writers and publishers, this rapidly changing environment has spawned conflicts that will be resolved in the courts. The right to post articles on the World Wide Web, and to otherwise make articles accessible via the personal computer, has created a new category of rights under the traditional doctrine of copyright law. So-called "electronic rights" have become a newly recognized stick in the bundle of rights protected by copyright law. The ownership of these rights, publisher versus author, was at stake when Jonathan Tasini and a group of plaintiffs sued their publishers in New York Federal District Court.<sup>2</sup> Jonathan Tasini believes it is

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<sup>1</sup> Richard Raysman & Peter Brown, *Liability on the Internet*, 212 N.Y.L.J. 3 (1994) ("Unlike other communications industries that are heavily regulated, the Internet is relatively unfettered, having no central regulatory body to control its free-wheeling growth.").

<sup>2</sup> See Ron Abramson, *Publishers Sigh With Relief After 'Tasini'*, 218 N.Y.L.J. 5 (1997) ("The decision . . . concerns a significant issue that has been of concern to newspapers and other media for several years as electronic and 'new media' markets have developed for their publications. The action was clearly structured by the plaintiffs as a 'test case.'").

a grave danger to allow publishers to gain more control over the works they publish.<sup>3</sup> In Tasini's view, this case will have an impact on the freedom of information in this country as well as an effect on the way in which authors are paid for their work.

## II. THE *TASINI* CASE: A BATTLE OVER INTERNET PUBLISHING RIGHTS

The Internet has become a major medium in the information age. The *Tasini* case involves a dispute over who will control much of the substance of the Internet. The plaintiffs are freelance writers who believe that the Copyright Act gives them control over their article's dissemination. The defendants are publishing companies who believe that they have the right to put articles on-line, without securing permission from the authors.

### A. CASE BACKGROUND

Jonathan Tasini is the lead plaintiff of a group of authors<sup>4</sup> who allege that their publishers have committed copyright infringement by including the authors' freelance articles on CD-ROMs and in the publisher's on-line accessible electronic databases without compen-

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<sup>3</sup> Jonathan Tasini, *Publishers Seeking Gold Give Writers the Shaft*, L.A. TIMES, Nov. 27, 1995, at B5 ("But as a technological revolution reshapes the way we work, relax and communicate, here are the names that will control authorship in the future: Time Warner, Microsoft, Westinghouse and their publishing brethren, including corporations that own newspapers.").

<sup>4</sup> The plaintiffs are members of the National Writers Union ("NWU"). Jonathan Tasini is president of the NWU and is a labor and economics writer. The other plaintiffs are: Mary Kay Blakely ("As a writer I naturally prefer methods of persuasion over litigation. I joined the lawsuit because, as Frederick Douglass said a hundred years ago, 'Power concedes nothing without a demand. It never has. It never will.'"); Barbara Garson, a Guggenheim award winner and NEA and New York State Council of the Arts fellowship recipient; Margot Mifflin, an art and entertainment writer; Sonia Jaffe Robbins, ("I joined this lawsuit because electronic sources represent a new publishing medium, and therefore, there need to be new relationships between publishers and freelance writers concerning publishing in this new medium"); and David Whitford, a former editor of *Sport* magazine ("I've been interested in electronic copyright issues ever since I came across my byline one day while exploring Knowledge Index(KI), an electronic database. It bugged me to know how much foraging in KI was costing me, and yet somebody else was getting paid for my work. I felt robbed."). National Writers Union, *Plaintiffs' Biographies and Statements* (last modified Jan. 11, 1997) <<http://www.igc.apc.org/nwu/tvt/tvtbios/htm>>.

sating the authors.<sup>5</sup> In the words of Emily Bass, attorney for the plaintiffs, the case boils down to “[w]ho owns the electronic rights to articles free-lance authors have written?”<sup>6</sup> Many were sure to watch the decision in the case in this modern, lucrative age of on-line publishing and electronic media.<sup>7</sup>

The plaintiffs wrote articles on a freelance basis for publications such as *Newsday*, *New York Newsday*, *The New York Times*, *Sports Illustrated*, and *The Atlantic*.<sup>8</sup> Traditionally, these publications worked out an informal agreement with the author to buy the stories once they were written. The agreements between publishers and freelance writers were often no more than oral agreements as to the length, topic, and fee to be paid for an article.<sup>9</sup> Since the industry practice rarely resulted in any type of written contract,<sup>10</sup> the *Tasini* court held that it was unable to use the written agreements between the parties as determinative evidence of which rights were retained by the authors and which rights were assigned to the publishers.<sup>11</sup>

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<sup>5</sup> Martin Garbus, *Who Owns Electronic Rights in the New Media?*, 212 N.Y.L.J. 1 (1994) (“The complaint claims, among other things, that the defendants, without paying plaintiffs, redistributed and reused fiction and non-fiction works, novels, plays and articles plaintiffs created, on CD-ROMs, databases, on-line services and other electronic distribution channels.”)

<sup>6</sup> Amended Complaint for Copyright Infringement at 1, *Tasini v. New York Times Co.*, 972 F. Supp. 804, 43 U.S.P.Q.2d (BNA) 1801 (S.D.N.Y. 1997) (No. 93 Civ. 8678(SS)).

<sup>7</sup> Judge Sotomayor agrees that the new technology involved in this case has made “electronic rights” a very economically valuable commodity. (“[T]oday’s world of pricey electronic information systems . . .”) *Tasini*, 972 F. Supp. at 827.

<sup>8</sup> Amended Complaint for Copyright Infringement at 2-5, *Tasini* (No. 93 Civ. 8678 (SS)).

<sup>9</sup> *Tasini*, 972 F. Supp. at 807.

<sup>10</sup> Only plaintiff Whitford and *Sports Illustrated* had any kind of written contract. This contract, besides specifying the length and content of the article, also included the following terms. *Sports Illustrated* was acquiring the rights: (1) to first “publish the Story in the Magazine,” (2) “the non-exclusive right to license the republication of the Story whether in translation, digest, or abridgement form or otherwise in other publications, provided that the Magazine shall pay to you [Whitford] fifty percent (50%) of all net proceeds it receives for such republication,” and (3) “the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by The Time Inc. Magazine Company, its parent, subsidiaries, or affiliates, provided that you [Whitford] shall be paid the then prevailing rates of the publication in which the Story is republished.” *Tasini*, 972 F. Supp. at 807.

<sup>11</sup> *Tasini*, 972 F. Supp. at 811. See Sidney A. Rosenzweig, Comment, *Don’t Put my Article Online!: Extending Copyright’s New-Use Doctrine to the Electronic Publishing Media and Beyond*, 143 U. PA. L. REV. 899, 908 (1995) (Freelance authors “consider themselves to be ‘modern-day sweatshop workers’ who scrape a living with low salaries and no benefits. They

This dispute arose when the freelance authors' works were placed into electronic databases without the authors' permission. The databases contain works by both freelance authors like Jonathan Tasini and writers who are employees of the publication. The employee writers do not have cause to protest the distribution of their works on-line since under the "work for hire"<sup>12</sup> doctrine the copyright in those works is automatically owned by the employer publication.<sup>13</sup> However, the copyright in works made by independent contractors, or in this case free lance writers, automatically vests in the author and not in the publishers.<sup>14</sup>

The plaintiffs alleged two types of copyright infringement in their lawsuit.

1. *Direct Copyright Infringement.* The first claim is against the publishers for direct copyright infringement. The plaintiffs were the sole creators of the articles and did in fact secure copyrights for their pieces. Unlike those authors covered by the work for hire doctrine, these authors were not employees of the publishers.<sup>16</sup> The rights expressly granted to the publisher, in the case of Jonathan Tasini, (whose rights are representative of the whole group of plaintiffs) were "first, one time, North American print publication rights."<sup>16</sup> The plaintiffs argue that once the articles

believe that they are entitled to the rights to their works on new media, which would enable them to license the works to the original publisher, if they choose, for reissuance on the electronic media.").

<sup>12</sup> 17 U.S.C. § 101 (1994) ("A 'work made for hire' is — (1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work . . ."). See also *Community For Creative Non-Violence v. Reid*, 490 U.S. 730, 10 U.S.P.A.2d (BNA) 1985 (1989) (explaining the distinction between independent contractors and employees in a work for hire context).

<sup>13</sup> 17 U.S.C. § 201(b) (1994) ("In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.").

<sup>14</sup> 17 U.S.C. § 201(a) (1994) ("INITIAL OWNERSHIP. Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners [sic] of copyright in the work.").

<sup>15</sup> Articles written by employees of the publishers or the magazines would qualify as works for hire. As works for hire, the publishers would obtain full rights in those articles. The publishers would be the original copyright holders and would be allowed to make revisions in the articles themselves. See 17 U.S.C. § 201(b) (1994).

<sup>16</sup> Amended Complaint for Copyright Infringement at 7, *Tasini v. New York Times Co.*, 972 F. Supp. 804 (S.D.N.Y.) (No. 93 Civ. 8678 (SS)).

were initially published in either the magazine or newspaper, the publishers' rights were fully exhausted. Despite this, the publishers sold the stories to University Microfilms Inc., (UMI) and The Mead Corporation, (now called LEXIS/NEXIS, referred to herein as "Mead") for inclusion in the allegedly infringing electronic databases and CD-ROMs.<sup>17</sup> The plaintiffs stated in their complaint that this sale:

[I]nterferes with plaintiff's exclusive right to reproduce or license reproduction of the copyrighted work, to prepare derivative works based upon the copyrighted work, to distribute or license distribution of copies of the copyrighted work, to publicly perform or display the copyrighted work or license others to publicly perform or display the copyrighted work on electronic media, and to authorize all of the above.<sup>18</sup>

2. *Contributory Copyright Infringement.* The plaintiffs next charged the publishers with contributory copyright infringement based on the publishers' actions of providing the on-line services and CD-ROM manufacturers with their stories.<sup>19</sup> "IN MOST CASES (with the exception of one CD-ROM publication created by electronic imaging), the articles in question were reduced to 'text files' and stripped of their print formatting and any accompanying photos and advertisements, and supplemented by identifying data (author, citation, etc.) appended to the text."<sup>20</sup> The on-line services and CD-ROM manufacturers then directly infringed by using the plaintiffs' stories in their products.

The plaintiffs state in their complaint that the agreements between the publishers on one side and the electronic database providers and CD-ROM producers on the other, infringes on their copyrights. The plaintiffs complain that this infringement has deprived them of the economic benefits to which they are entitled.

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<sup>17</sup> *Id.* at 10.

<sup>18</sup> *Id.* at 9.

<sup>19</sup> The plaintiffs only charge contributory infringement to the extent the publishers cooperated with the electronic database providers. *Tasini*, 972 F. Supp. at 809 n.3. They did not seek to base the contributory infringement claim on the potential direct infringement by users of the electronic databases. *Id.*

<sup>20</sup> Abramson, *supra* note 2, at 5.

## B. REMEDIES SOUGHT

The plaintiffs asked for the standard remedies of a copyright lawsuit. They asked for an injunction prohibiting further distribution of their articles and a declaratory judgment that the publishers' actions constituted copyright infringement. They also sought damages, measured by the amount of profits the publishers received as a result of their infringement, as well as attorney fees.

## C. THE DECISION

The case was tried in United States District Court in the Southern District of New York before Judge Sonia Sotomayor. The defendants' motion for summary judgment was granted on August 13, 1997.<sup>21</sup> Judge Sotomayor framed the issue as "whether publishers are entitled to place the contents of their periodicals into electronic data bases [sic] and onto CD-ROMs without first securing the permission of the freelance writers whose contributions are included in those periodicals."<sup>22</sup> Judge Sotomayor explained, "the Court applied Section 201(c) of the Copyright Act and determined that defendants had properly republished plaintiffs' individual freelance articles as part of electronic 'revisions' of the newspapers and periodicals in which those articles first appeared."<sup>23</sup>

On October 29, 1997, the plaintiffs' motion for a rehearing was denied by Judge Sotomayor.<sup>24</sup> In their motion, the plaintiffs raised three objections to the judge's decision. First, plaintiffs argued that plaintiff Whitford should have prevailed based on the Court's rejection of Time Incorporated's contract defense.<sup>25</sup> Second, the plaintiffs argued that "even accepting the Court's interpretation of Section 201(c)[of the Copyright Act], there is a disputed question of fact as to whether any of the electronic technologies involved in this case qualify as permissible revi-

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<sup>21</sup> *Tasini*, 972 F. Supp. at 827.

<sup>22</sup> *Id.* at 806.

<sup>23</sup> *Tasini v. New York Times Co.*, 981 F. Supp. 841, 843 (S.D.N.Y. 1997) (denying plaintiffs' motion for reconsideration).

<sup>24</sup> *Id.* at 851.

<sup>25</sup> *Id.* at 843.

sions.”<sup>26</sup> Finally the plaintiffs “contend[ed] that the Court mistakenly accepted defendants’ representations that plaintiffs had failed to raise an infringement claim relating to certain article abstracts created in connection with one of the disputed technologies, ‘General Periodicals OnDisc.’”<sup>27</sup> Despite these rational, seemingly persuasive arguments, Judge Sotomayor denied the motion for a rehearing, leaving the plaintiffs to seek relief in the court of appeals or in Congress.<sup>28</sup>

Judge Sotomayor found that the compilation of electronic databases constituted permissible “revisions” within the parameters of section 201(c) of the Copyright Act of 1976.<sup>29</sup> She agreed with the defendants’ position that they did not improperly exploit the plaintiffs’ articles but permissibly reproduced the articles as “electronic revisions” of the collective works in which the articles originally appeared.<sup>30</sup> The judge construed the controlling language of the Copyright Act as follows:

The first sentence of Section 201(c)—providing that the “[c]opyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution”—essentially reiterates the substance of Section 103(b). If the provision ended with its first sentence, plaintiffs would prevail in this action . . . . In its second sentence, however, Section 201(c) expands upon the baseline established in

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<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> 981 F. Supp. at 843.

<sup>29</sup> *Tasini v. New York Times Co.*, 972 F. Supp. 804, 825 (S.D.N.Y. 1997). The statute provides:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. § 201(c) (1994).

<sup>30</sup> *Tasini*, 972 F. Supp. at 806.



Section 103(b)<sup>31</sup> by extending to the creators of collective works “only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series . . . .” The determinative issue here, then, is the precise scope of these “privileges.”<sup>32</sup>

The “revisions” in this case were electronic reproductions created by extracting individual articles from the original “collective works,” the magazines, and placing the articles into a huge database, mixed with other articles from different issues of the publication and articles from other publications.<sup>33</sup> The complaint alleged that this was an impermissible revision because the defendants were not in fact “revising” the collective works, but were merely selling the individual parts much like one would sell old parts from a scrap automobile.<sup>34</sup> Plaintiffs argued that the defendants exceeded their privileges when they sold the articles to the database providers.<sup>35</sup> Thus, the only remaining protectable interest in the collective works then held by the publisher was any

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<sup>31</sup> The statute provides:

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership or subsistence of, any copyright protection in the preexisting material.

17 U.S.C. § 103(b) (1994).

<sup>32</sup> *Tasini*, 972 F. Supp. at 814.

<sup>33</sup> *Id.* at 807-809.

<sup>34</sup> The attorney for the plaintiffs characterized the issue this way:

This is a case about spare parts and the used vehicles they come from—vehicles that bear a striking resemblance to used cars. In the life of an automobile, there comes a time when that vehicle is worth more *disassembled* than left put together. Then, the car is taken apart, and its parts are sold off . . . . The same fate now awaits today’s newspaper or magazine and tomorrow’s literary or social science journal.

Plaintiffs’ Memorandum of Law in Support of Their Motion For Summary Judgment on the Issue of Liability at 1-2, *Tasini* (No. 93 Civ. 8678(SS)).

<sup>35</sup> *Tasini*, 972 F. Supp. at 809.

original expression contributed by the editors and publishers.<sup>36</sup> There was very little of this original expression in the revisions, since the electronic databases only contain the text of the articles—all original arrangements, pictures, captions, advertisement, and artwork from the original collective works had been removed.<sup>37</sup> The plaintiffs argued that instead of the databases being “revisions” of the collective works, they are merely catalogs impermissibly reselling the authors’ individual articles.<sup>38</sup>

The court held that even though the electronic databases look very different from the original magazine or newspaper, they were still within the statute’s meaning of “revision.”<sup>39</sup> In particular, Judge Sotomayor found “[t]he structure and language of Section 201(c) confirm that the parameters of a permissible revision are broader than plaintiffs suppose.”<sup>40</sup> The court interpreted the Copyright Act to say that publishers are not allowed to “revise” in a way that changes the content of the individual articles, but they can make dramatic changes to the overall medium in which the articles appear.<sup>41</sup> The only limitation on the “revisions privilege” found by the *Tasini* court was that the revision “must be recognizable as a version of a preexisting collective work if it is to be fairly characterized a revision of ‘that collective work.’”<sup>42</sup> To be a revision under Section 201(c), the court required the subsequently published collective work to retain a “significant original aspect” of the original collective work.<sup>43</sup>

One aspect of originality from the collective work on which the court focused was the actual “selection” of the collected articles. The court found that the publication’s editors’ selection of an article

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<sup>36</sup> *Id.* at 821.

<sup>37</sup> *Id.* at 821, 823-24.

<sup>38</sup> Plaintiffs’ Memorandum of Law in Support of Their Motion For Summary Judgment on the Issue of Liability at 2, *Tasini* (No. 93 Civ. 8678(SS)).

<sup>39</sup> *Tasini*, 972 F. Supp. at 825.

<sup>40</sup> *Id.* at 819.

<sup>41</sup> *Id.* at 819-820. In summarizing the legislative history of section 201(c), the court stated, “authors were comfortable permitting publishers broad discretion in revising their collective works, provided that individual articles would remain intact.” *Id.* at 819.

<sup>42</sup> *Id.* at 820.

<sup>43</sup> *Id.* at 821.

for use in the magazine was itself original expression.<sup>44</sup> The court emphasized the substance of a selection as being an element of original expression by noting that “[t]he defendant publishers’ protected original selection of articles, a defining element of their periodicals, is preserved electronically.”<sup>45</sup> The court also noted that the electronic databases “tagged” the articles by identifying the magazine and the issue where the article was originally published.<sup>46</sup> This “tag” further supported the court’s finding that the selection of the article was itself original expression retained in the revision notwithstanding the electronic database context.

### III. *TASINI*: A MISGUIDED DECISION

#### A. INTRODUCTION

This case, like many others that “cyberspace” will generate, turns on the issue of copyright ownership. When examining such a dispute, the logical starting place is the Copyright Act of 1976, Section 201 titled, “Ownership of copyright.”<sup>47</sup> Section 201 lays the statutory groundwork for resolution of copyright ownership disputes, and frequent reference to it will therefore be necessary.

#### B. PLAINTIFFS’ CONTRACT THEORY OF RECOVERY

One of the *Tasini* plaintiffs’ strongest arguments was based on the contracts between the publishers and the writers.<sup>48</sup> As previously discussed, the contracts were generally informal agreements between writer and publisher, which were in keeping with standard industry practice.<sup>49</sup>

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<sup>44</sup> The *Tasini* court reviewed the Supreme Court’s analysis of originality in compilations and stated that the cases show “that ‘the amount of creativity, required for copyright protection of a compilation is decidedly small,’ and that the mere selection of information for publication can often times [sic] reflect sufficient originality to warrant copyright protection.” *Id.* at 823 (quoting *Lipton v. Nature Co.*, 71 F.3d 464, 470, 37 U.S.P.Q.2d (BNA) 1012 (2d Cir. 1995)).

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 824.

<sup>47</sup> 17 U.S.C. § 201 (1994).

<sup>48</sup> Plaintiffs’ Memorandum of Law in Support of Their Motion for Summary Judgment on the Issue of Liability at 10-12, *Tasini* (No. 93 Civ. 8678(SS)); *Tasini*, 972 F. Supp. at 810-812.

<sup>49</sup> *Tasini*, 972 F. Supp. at 806.

The defendants' publications, for the purposes of copyright law, are "collective works."<sup>50</sup> According to section 201(c) of the Copyright Act, which defines copyright ownership in collective works:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the *privilege* of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.<sup>51</sup>

It is clear in the *Tasini* situation that the copyright initially vested with the author of the contribution, Tasini. The question then became, since there was no dispute that at least some rights were transferred to the publisher, what copyright ownership rights were transferred by Tasini and what rights were retained by him.

The defendants argued that even if their actions in creating an electronic database of their collective works exceeded the scope of the privileges given them by the Copyright Act,<sup>52</sup> their actions were not infringing because the plaintiffs expressly transferred any electronic rights in their contributed articles. This "express transfer" argument was deemed without merit and was rejected by Judge Sotomayor.<sup>53</sup>

*1. Ambiguity in the Contract.* Defendant publisher Newsday's basis for its assertion that electronic rights were expressly trans-

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<sup>50</sup> 17 U.S.C. § 101 (1994) ("A 'collective work' is a work, such as a *periodical* issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.") (emphasis added).

<sup>51</sup> 17 U.S.C. § 201(c) (emphasis added).

<sup>52</sup> 17 U.S.C. § 201(c); see *supra* text accompanying note 51 (printing the text of the statute).

<sup>53</sup> *Tasini*, 972 F. Supp. at 810-12 ("Time contends that its 'first publication rights must be interpreted to extend to NEXIS . . . . The right to publish an article 'first' cannot reasonably be stretched into a right to be the first to publish an article in any and all mediums.") (citations omitted).

ferred to it was the royalty check given to the author to pay for the article. The check included a legend stating that by endorsing the check the author released to the publisher the right to place his article in an "electronic library archive."<sup>54</sup> Judge Sotomayor agreed with the plaintiffs that the check legend afforded the publishers no defense.<sup>55</sup> The Judge found that the legend was ambiguous and could therefore not be a defense for the publisher because section 201(c) requires an express transfer of rights.<sup>56</sup> Furthermore, by the time the paycheck was given to the author, the defendants had already sold the article to the electronic databases and thus the infringing act occurred before the check was received, let alone signed by the author.<sup>57</sup> In addition, one author, Tasini, scratched through the legend before endorsing the check.<sup>58</sup>

The Supreme Court has spoken on the very issue of technological changes which render contracts ambiguous.<sup>59</sup> In *Twentieth Century Music Corp. v. Aiken*, the Court held that a restaurant owner does not commit copyright infringement by playing copyrighted music through loudspeakers in his restaurant when the music is an authorized broadcast received through the use of a radio because this use did not violate the copyright owners' right of performance.<sup>60</sup> When discussing the purpose of the Copyright Act, Justice Stewart referred to a statement by Lord Mansfield:

[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the

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<sup>54</sup> *Id.* at 810 (noting "the publisher relies upon the language providing that Newsday has the 'right to include [plaintiffs' articles] in electronic library archives.'") (alteration in original).

<sup>55</sup> *Id.* at 811.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 810 (holding the later signature by the author was a later writing confirming an earlier oral agreement).

<sup>58</sup> Plaintiffs' Memorandum of Law in Support of Their Motion for Summary Judgment on the Issue of Liability at 14, note 13, *Tasini* (No. 93 Civ. 8678(SS)).

<sup>59</sup> *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156, 186 U.S.P.Q. (BNA) 65 (1975).

<sup>60</sup> *Twentieth Century Music Corp.*, 422 U.S. at 161-62.

other, that the world may not be deprived of improvements, nor the progress of the arts be retarded.<sup>61</sup>

Applying this balancing of values to the *Tasini* situation, it seems reasonable to allow the freelance authors to be able to demand compensation for the exploitation of the electronic rights to their works. On one hand, because the writers make very little money to begin with and the competition to be published is great, giving authors this protection will not discourage public dissemination of information. To the contrary, it will allow many writers to support themselves economically through their writing alone, and thus more quality writing would be produced. On the other side of the balance, the writers' ownership interest in the electronic rights to their works furthers the purpose of securing their "just merits, and the reward of their ingenuity and labor . . . ."<sup>62</sup>

The court in *Tasini* agreed with the plaintiffs that their contracts did not expressly give the publishers the rights to use the articles in electronic databases. The court, however, found that because the contracts were ambiguous, this issue was not determinative, and moreover, was not even strong enough to defeat the defendants' summary judgment motion.<sup>63</sup> The Supreme Court, in *Twentieth Century Music Corp.* specifically addressed the issue of ambiguity resulting from changes in technology:

"The sole interest of the United States and the primary object in conferring the [copyright] monopoly" this court has said, "lie in the general benefits derived by the public from the labors of authors." When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of this basic purpose.<sup>64</sup>

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<sup>61</sup> *Id.* at 156 n.6 (quoting *Sayre v. Moore* as quoted in *Cary v. Longman*, 102 Eng. Rep. 138, 140 n.(b) (1801)) (alteration in original).

<sup>62</sup> *Id.*

<sup>63</sup> *Tasini v. New York Times Co.*, 972 F. Supp. 804, 806 (S.D.N.Y. 1997).

<sup>64</sup> *Twentieth Century Music Corp.*, 422 U.S. at 156 (quoting *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932)).

As explained above, recognizing the authors' ownership of the electronic rights in their works furthers the primary purpose of copyright by both securing a fair return for the creators and stimulating artistic creativity for the general good.

2. *Lack of Consideration.* Plaintiffs also argued that even if the legend had been unambiguous, it would not have been binding for lack of consideration. The bargain was the author's contribution of the story in exchange for the publisher's payment reflecting the right to publish the contributed article. Here, the publisher attempted to add another condition to the deal, transfer of all electronic rights in the work while giving no more than the price agreed upon as the bargain for the right of first publication. Without consideration for the extra conditions, they fail a general contract analysis.

The Copyright Act addresses the issue of express transfers of copyright ownership: "A transfer of copyright ownership . . . is not valid unless an instrument or conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent."<sup>65</sup>

As to publisher Sports Illustrated, its slightly more formal contract consisted only of a letter to the plaintiff, David Whitford. The letter stated that the publisher was buying the right "first to publish" the article.<sup>66</sup> The plaintiffs, however, argued that this language plainly meant that once the article was initially published in the magazine, the publisher had exhausted its rights.<sup>67</sup> Seemingly, the ordinary meaning of the phrase "first to publish" would limit the publisher to the initial, one-time right of first publication. Nonetheless, Time Incorporated argued that the right to first publish extended to the electronic database use of the article.<sup>68</sup> However, the publishers argument was based on a case involving primarily rights dealing with television and movie displays.<sup>69</sup> Judge Sotomayor rejected the defendant's position saying, "[t]he right to publish an article 'first' cannot reasonably be

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<sup>65</sup> 17 U.S.C. § 204(a) (1994).

<sup>66</sup> *Tasini*, 972 F. Supp. at 811.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.* at 811-12.

<sup>69</sup> See *Bartsch v. Metro-Goldwyn Mayer Inc.*, 391 F.2d 150, 157 U.S.P.Q.(BNA) 65 (2d Cir. 1968) (discussing rights in the context of TV and movie displays).

stretched into a right to be the first to publish an article in any and all mediums."<sup>70</sup>

Even though Judge Sotomayor sided with the plaintiffs on this point of the case, the court ultimately held for the defendants. There is, however, significant case law that suggests that the contracts issue should have been determinative in favor of the plaintiffs, or at least should have enabled them to survive the defendants' motion for summary judgment.

Both parties agree that the contracts, whether oral or written, as in Sports Illustrated's case, are simple, relatively uncomplicated documents. However, this does not mean the contracts should carry less weight with the court. These parties were not careless or unusually sloppy in their negotiations. Rather, the writers and publishers were following the standard industry practice of utilizing informal agreements in their dealings.<sup>71</sup> The court held that the contracts did not expressly grant all rights in the copyrighted works to the defendants because the contracts were ambiguous. However, it seems that if the court had examined the contracts, within the context of the publishing trade,<sup>72</sup> their plain meaning would have been clear. Farnsworth wrote, "[w]hen interpreting contract language, courts start with the assumption that the parties have used it in the way that reasonable persons ordinarily do . . . . From this assumption comes the maxim, *expresso unius est exclusion alterius* ('the expression of one thing is the exclusion of another')."<sup>73</sup> In the case before the court, the expression "first" should therefore have been read to exclude "later" or "other" publication series.

Understanding that the publishing business regularly uses informal agreements to make deals with writers, the court should

<sup>70</sup> *Tasini*, 972 F. Supp. at 812.

<sup>71</sup> In the words of lead plaintiff Tasini, "a new power game has demolished long-standing relationships between authors and publishers." Jonathan Tasini, *Publishers Seeking Gold Give Writers the Shaft*, L.A. TIMES, Nov. 27 1995, at B5.

<sup>72</sup> Contracts should be interpreted "when viewed objectively by a reasonably intelligent person who has examined the context of the entire integrated agreement and who is cognizant of the customs, practices, usages and terminology as generally understood in the particular trade or business." *Sayers v. Rochester Telephone Corp.* Supplemental Management Pension Plan, 7 F.3d 1091, 1095 (2d Cir. 1993) (quoting *Walk-In Medical Centers, Inc. v. Breuer Capitol Corp.*, 818 F.2d 260, 263 (2d Cir. 1987)) (emphasis added).

<sup>73</sup> E. ALLAN FARNSWORTH, UNITED STATES CONTRACT LAW 117 (1991).



have been comfortable interpreting the phrase “rights to first publish” in an unambiguous way. In *Playboy Enterprises Inc. v. Dumas*,<sup>74</sup> the court examined industry practice and its relevance between publishers and those from whom they purchase works. *Playboy* involved art work, purchased by Playboy Magazine from the artist’s widow. The issue was whether Playboy has the right to make and market reproductions of that art. The court wrote:

[T]he custom and practice in the magazine industry was to acquire one-time rights, unless explicitly stated otherwise. Thus any transfer would be thought to transfer the rights in an unpublished work such that the magazine would secure publication with notice in the work, and then transfer the rights in the work back to the author upon request.<sup>75</sup>

The court in *Tasini* should have followed the courts that have gone before it and given the practice of the industry greater determinative weight in the contracts analysis. While it is true the *Playboy* court did specifically note that their findings concerned a period from 1974 to 1978,<sup>76</sup> the language used in the contracts and the similarities in the transactions make it applicable to *Tasini* as well. Based on the findings of the court in *Playboy*, it would clearly seem that whatever was included in the bundle of rights purchased by the defendants by means of the “first, one-time” contracts, the right to mass marketing, post-print publication through cyberspace was not among them.

It is revealing to examine the contracts from each of the parties’ point of view in order to best determine what was intended by the words, “right to first publish.” Initially, from the writers’ point of view, this was seemingly another informal agreement to write an article for the publishers. It would be safe to assume that the writers’ expectations were that the article would be included in the

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<sup>74</sup> 831 F. Supp. 295, 28 U.S.P.Q.2d (BNA) 1561 (S.D.N.Y. 1993) *aff’d in part, rev’d in part, vacated in part, and remanded*, 53 F.3d 549, 34 U.S.P.Q.2d (BNA) 1737 (2d Cir. 1995).

<sup>75</sup> *Id.* at 305.

<sup>76</sup> *Id.*

magazine and nothing else. Certainly if the authors had expected the articles to end up on the electronic databases, they would not have objected later when that occurred. However, from the publishers' point of view, it seems reasonable to believe that at the time of the contract with the writers, the publishers were aware that they planned to use the articles not only in print, but in electronic form as well. The publishers were the only ones who could know their true intentions for the articles. And they entered into these contracts, allowing the plaintiffs to proceed on the belief that they were only agreeing to sell the print rights of their works. In other words, the general purpose of the writers was to convey the print rights to the publishers. Farnsworth has written, "It seems proper to regard one party's assent to the agreement with the knowledge of the other party's general purposes as a ground for resolving doubts in favor of a meaning that will further those ends, rather than a meaning that will frustrate them."<sup>77</sup> Had Judge Sotomayor applied Farnsworth's "purpose interpretation" analysis,<sup>78</sup> the court would have likely given greater weight to the contacts between the parties.

Further, some case law also suggests that the contract between the publishers and the writers should have been given more determinative weight by the trial court. For example, the Ninth Circuit has stated, "the license must be construed in accordance with the purpose underlying federal copyright law. Courts have repeatedly stated that the Copyright Act was 'intended definitively to grant valuable, enforceable rights to authors, publishers, etc. . . . to afford greater encouragement to the production of literary works of lasting benefit to the world.'"<sup>79</sup> The encouragement of authorship is furthered most effectively when authors are permitted to get the maximum value from the work they produce. This means receiving payment for all of the uses for which their work is purchased. One argument presented by the National Writers Union, (of which Jonathan Tasini is the President), framed the issue this way: "The media conglomerates are taking away the

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<sup>77</sup> FARNSWORTH, *supra* note 73.

<sup>78</sup> *Id.*

<sup>79</sup> Cohen v. Paramount Pictures Corp., 845 F.2d 851, 854 (9th Cir. 1988) (quoting Washington Publ'g Co. v. Pearson, 306 U.S. 30, 36 (1939)).

livelihood of writers, driving them out of business. If writers cannot get their fair share and make a decent living, it will mean fewer contributors to our arts and sciences and a decline in independent voices, making our society culturally poorer.”<sup>80</sup> “Getting a fair return” for their work should translate into a certain price for the print rights, along with a price for the right of on-line distribution. A copyright is not one right; using the familiar property analogy, it is like a “bundle of sticks.”

Therefore, the courts should interpret the Copyright Act as giving the holder of a copyright a “bundle of rights”<sup>81</sup> that can be transferred or retained in pieces not just as a whole.

Section 106 of The Copyright Act codifies the various rights possessed by the copyright owner.<sup>82</sup> Regarding transfer of the rights that accompany ownership of a copyright, section 201(d) makes it clear that “ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law. . . .”<sup>83</sup>

Arguably, the plaintiffs in *Tasini* only transferred the right to “first publish” the articles. Thus, under the words of section 201(c) and (d), the rights to display and distribute the article via electronic databases should be retained by the original owners.

<sup>80</sup> National Writers Union, *Tasini vs The New York Times: What's at Stake for the Public?* (last modified Aug. 14, 1997) <<http://www.igc.apc.org/nwu/tvt/tvtpubl.htm>>.

<sup>81</sup> See *Stewart v. Abend*, 495 U.S. 207, 220 (1990) (stating “[a]n author holds a bundle of exclusive rights in the copyrighted work . . .”).

<sup>82</sup> Section 106 provides:

[T]he owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and
- (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

17 U.S.C. § 106 (1994).

<sup>83</sup> 17 U.S.C. § 201(d) (1994).

Despite Judge Sotomayor's agreement with the reasoning of the plaintiffs on the contract issue, the court nonetheless dismissed the plaintiffs complaint. If not dispositive, the questions raised about this issue should have at least gotten the plaintiffs past the defendants' motion for summary judgment. *General Mills, Inc. v. Filmtel International Corporation*,<sup>84</sup> another case from the Southern District of New York, is instructive on this point. In that case, a licensee brought an action seeking declaratory relief and damages because of the defendants' opposition to the licensee's attempt to exercise his right to exhibit the cartoons on cable television and through home video cassettes.<sup>85</sup>

Much like the *Tasini* case, the dispute revolved around whether the language of the contract allowed the plaintiff (the licensee in *General Mills*, analogous to the publishers in *Tasini*) to exploit the copyrighted material through particular mediums.<sup>86</sup> The contract at issue provided that the plaintiff would have the right to exhibit the cartoons "on television . . . without limitation."<sup>87</sup> First, the court held that this phrase could not convey to the plaintiff the right to exploit the cartoons through video cassettes because "these media comprise 'an entirely different device involving an entirely different concept and technology from that involved in a television broadcast.'"<sup>88</sup> The court in *Tasini* should have applied this principle concerning "different mediums" and allowed the plaintiffs' case to proceed.

Secondly, the court in *General Mills* did not grant either party's motion for summary judgment, because the issue of whether the "without limitation" language applied to cable television was unresolved by the contract between the parties.<sup>89</sup> "The collective agreement must be regarded as ambiguous in this regard and resort must be had to extrinsic evidence to ascertain the intent of the parties. Thus a question of fact is presented with respect to the construction of the right granted, and summary judgment is

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<sup>84</sup> 599 N.Y.S.2d 820, 27 U.S.P.Q.2d (BNA) 1638 (N.Y. App. Div. 1993).

<sup>85</sup> *Id.* at 820-21.

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* at 821.

<sup>88</sup> *Id.* (quoting *Tele-Pac, Inc. v. Grainger*, 570 N.Y.S.2d 524 (N.Y. App. Div. 1991)).

<sup>89</sup> *General Mills*, 599 N.Y.S.2d at 821.

inappropriate.”<sup>90</sup> The *Tasini* case at least created a question of fact as to the construction of the right granted and thus should also have been allowed to proceed past summary judgment.

### C. PLAINTIFFS’ STATUTORY BASIS FOR RECOVERY: PRO-AUTHOR POLICIES EMBODIED IN THE COPYRIGHT ACT

The Copyright Act has evolved out of the Intellectual Property Clause of the United States Constitution. While one purpose of intellectual property laws (particularly copyright, patent and trade secret law) is to provide motivation to creators of valuable works for society, another, often overlooked purpose of intellectual property laws, is to compensate the creator for his or her efforts.<sup>91</sup>

Congress spoke of the purposes of copyright law before the 1976 Act was passed. “While some limitations and conditions on copyright are essential in the public interest, they should not be so burdensome and strict as to deprive authors of their just reward . . . . [T]heir rights should be broad enough to give them a fair share of the revenue to be derived from the market for their works.”<sup>92</sup> In *Tasini*, the plaintiffs only want the fair return for their works. The publishers sell their works to electronic distributors, yet the writers do not receive any of these proceeds.

One Supreme Court decision that highlights the Congressional value of ensuring that writers get a fair return for their work is the 1990 decision in *Stewart v. Abend*.<sup>93</sup> In *Stewart*, the holder of renewal rights in the copyright of a magazine story sued the holder of rights to a motion picture made from the magazine story.<sup>94</sup> The Court held that renewal rights in the copyright statute were intended to give authors a second chance to obtain fair payment for their works.<sup>95</sup> Much like the situation in *Tasini*, the *Stewart* Court addressed rights that become more valuable over time and the author’s entitlement to receive compensation in relation to the

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<sup>90</sup> *Id.* at 822.

<sup>91</sup> *Stewart v. Abend*, 495 U.S. 207, 209 (1990).

<sup>92</sup> *Id.* at 229 (quoting the REGISTER OF COPYRIGHTS, COPYRIGHT LAW REVISION, 87TH CONG., 1ST SESS., 6 (Comm. Print 1961)).

<sup>93</sup> 495 U.S. 207 (1990).

<sup>94</sup> *Id.* at 212-13.

<sup>95</sup> *Id.* at 220.

value of those rights.<sup>96</sup> Whereas many casual observers see the purpose of copyright to be the production of useful works for society, the *Stewart* Court makes clear that this is only one part of the proper balance of purposes.<sup>97</sup> “Moreover, although dissemination of creative works is a goal of the Copyright Act, the Act creates a balance between the artist’s right to control the work during the term of the copyright protection and the public’s need for access to creative works.”<sup>98</sup>

Judge Sotomayor’s decision takes all control away from the writers. The creators have no voice in how their works are distributed through a medium as vast as the World Wide Web. The *Stewart* Court went on to state, “[i]n fact, this Court has held that a copyright owner has the capacity arbitrarily to refuse to license one who seeks to exploit the work.”<sup>99</sup> Although often forgotten, the Court has made it clear that copyright law is designed to protect and compensate creators just as it serves to motivate creation for the good of society.

In the context of this litigation, copyright protection serves to help balance the unequal bargaining positions of the publisher and the freelance author. The publisher has much greater bargaining power since it can hire other writers to do features for it, presumably authors who will give most or all of their rights in the work to the publisher for the cheapest price. One role of the copyright law is to give the author some leverage with which to bargain. “The limited monopoly granted to the artist is intended to provide the necessary bargaining capital to garner a fair price for the value of the works passing into public use.”<sup>100</sup> The *Tasini* plaintiffs agreed to do the requested articles, for the agreed upon price, with the understanding that what was being transferred to the publisher was specifically the “first, one time, North American print publica-

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<sup>96</sup> *Id.* at 229.

<sup>97</sup> *Id.* at 228.

<sup>98</sup> *Id.*

<sup>99</sup> *Id.* at 229.

<sup>100</sup> *Id.* at 229. See also, *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 546, 225 U.S.P.Q. (BNA) 1073 (1985) (“The rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors.”)

tion rights.”<sup>101</sup> The copyright law, as stated in *Stewart*, should have been interpreted by the court as preserving the remaining rights, (particularly the electronic rights) in the plaintiffs, so that the plaintiffs would have the requisite bargaining power to sell those rights and receive a fair return for their work.

The overriding purpose of copyright protection (and patent protection for that matter) is found in the Intellectual Property Clause of the United States Constitution.<sup>102</sup> Promoting the useful arts serves a societal interest by providing an incentive (a limited monopoly) for their creation. When Congress enacted the Copyright Act, certain limitations were imposed so that the public would actually receive the benefit of the works produced.<sup>103</sup> However, the limitation of copyright protection was not intended to “short change” authors. “While some limitations and conditions on copyright are essential in the public interest, they should not be so burdensome and strict as to deprive authors of their just reward . . . . [T]heir rights should be broad enough to give them a fair share of the revenue to be derived from the market for their works.”<sup>104</sup> In *Tasini*, both parties bargained from the position that the price of the articles was the value of the right to print the articles in the respective magazines or newspapers. Nowhere in the decision or in the plaintiffs’ complaint, which detailed the negotiations and arrangements between the parties, is there mention of the stories being distributed after publication by electronic media. In *Tasini*, the fact that the agreement only refers to “print publication rights” as opposed to simply “publication” or “distribution” rights suggests that the price agreed upon was less than the “fair return” for what the publishers in fact took from the plaintiffs.

If a goal of the copyright law is to make valuable information and creations available to the public, that goal is served by enforcing

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<sup>101</sup> Amended Complaint for Copyright Infringement at 7, *Tasini v. New York Times Co.*, 972 F. Supp. 804 (S.D.N.Y. 1997) (No. 93 Civ. 8678(SS)).

<sup>102</sup> U.S. CONST. art. I, § 8, cl. 8 (“The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . .”).

<sup>103</sup> *Stewart*, 495 U.S. at 229 (quoting the REGISTER OF COPYRIGHTS, COPYRIGHT LAW REVISION, 87TH CONG., 1ST SESS., 6 (Comm. Print 1961)).

<sup>104</sup> *Id.*

only the publishers' right to use the articles once in their publications. To go further and allow the distribution of the articles through on-line services and CD-ROMs alters the balance struck by the copyright law between authors' rights and society's interests too far in favor of public dissemination. The *Tasini* decision harms the author's ability to bargain for his rights to his article and prevents the author from receiving just compensation for that work.<sup>105</sup> Concerns arise when independent voices cannot devote themselves to their work because vast corporations refuse to give them a fair return for their articles. The inequality in bargaining power between the author and the publisher prevents a true bargain from being agreed upon. Jonathan Tasini expressed this concern in an article for the Los Angeles Times:

Instead of a fair give-and-take, (where a writer might license a work for a specific use—for instance one use in print only—in return for some compensation), the word has come down from these multimedia giants to authors, demanding unlimited use in all sorts of print and electronic formats. The publishers tell us: 'Here's the contract; take it or leave it.'<sup>106</sup>

The *Tasini* decision, even if eventually reversed, will not solve the problem writers face when trying to sell their work. "All rights" contracts<sup>107</sup> may prevent authors who lack substantial bargaining power from receiving a fair return for their work.

Circulation throughout the Internet and the World Wide Web attracts an audience that is potentially much larger than many of

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<sup>105</sup> *Id.* at 229 (quoting Ringer, *Renewal of Copyright* (1960), *reprinted as* COPYRIGHT LAW REVISION STUDY NO. 31, PREPARED FOR THE SENATE COMMITTEE ON THE JUDICIARY, 86TH CONG., 2D. SESS., 125 (1961)) ("Congress wanted to give [the author] an opportunity to benefit from the success of his work and to renegotiate disadvantageous bargains . . . made at a time when the value of the work [w]as unknown or conjectural and the author . . . necessarily in a poor bargaining position.").

<sup>106</sup> Tasini, *supra* note 71.

<sup>107</sup> These contracts are being used more frequently by publishers seeking to insulate themselves from this sort of litigation. These contracts transfer "all rights" to the publisher. Tasini described the issue as such: "we must redouble our efforts to turn back the all-rights contracts plague seeping throughout out industry." Jonathan Tasini, *Writers Win Major Points, Lose on Strange Interpretation of Copyright Law*. (last modified Aug. 14, 1997) <<http://www.igc.apc.org/nwu/tvt/tvtstate.htm>>.



these publications would have through print distribution alone. It follows that greater circulation would lead to more exposure of articles written by free lance authors. Likewise, greater exposure will make the rights held by the authors more valuable, and thus more expensive to the publisher seeking to purchase them. The traditional price scale reflects the parties' assumption about the use to which the articles would be put, such as publication in a magazine or newspaper. The new price scale (which the publishers predictably would oppose, since it will be more expensive for them) should reflect the new and growing use of electronic distribution of the articles. The *Stewart* Court when addressing the pricing of copyrighted works, wrote, "[a]t heart, petitioners' true complaint is that they will have to pay more for the use of works they have employed in creating their own works. But such a result was contemplated by Congress and is consistent with the goals of the Copyright Act."<sup>108</sup>

Jonathan Tasini wrote his article with the understanding that it was to be used in the publisher's traditional printed medium. Tasini did not anticipate use of the work in the relatively new and expanding electronic, on-line media. However, just because a copyrighted work is used in a new medium does not necessarily mean the court should disallow the new use. In *Bourne v. Walt Disney Co.*,<sup>109</sup> the court examined an agreement transferring certain copyrights for motion picture distribution. The plaintiffs sued when the defendants used video tape distribution for the copyrighted work. The court allowed this new use to continue, despite the fact that at the time of the agreement the parties did not contemplate that specific form of distribution.<sup>110</sup>

However, the *Bourne* situation is distinguishable from *Tasini*. "Movie rights" can reasonably encompass the right to market a movie through the medium of video machines. The market for "theater" movies is virtually identical to the market for video rentals. In consumers' minds, the "theater" movie and the "home rental" movie may be interchangeable. This is not the case for the relationship between printed articles and on-line accessible articles, such as those in *Tasini*.

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<sup>108</sup> *Stewart*, 495 U.S. at 229.

<sup>109</sup> 68 F. 3d 621, 36 U.S.P.Q.2d (BNA) 1449 (2d Cir. 1995).

<sup>110</sup> *Id.* at 630.

The *Tasini* situation involves a much more attenuated connection than that between movie and video and a much greater technological leap, from publication in the printed form to the on-line accessibility afforded by the World Wide Web. The average consumer, even in this day of increasing Internet access and use, does not interchangeably read news or feature articles in their favorite newspaper on-line. Public perception is that magazines and newspapers come out regularly and are "one shot deals"; a missed issue does not come back in "re-runs." This differs from the movie goer's perception that he can put off seeing a movie because it will soon appear on home video and can be viewed at his leisure. Against this backdrop of practicality, the plaintiffs agreed to sell the "one time print rights" to the defendant publishers. Unlike the *Bourne* decision, this transfer of copyright should not be read to include the electronic rights.

#### D. PLAINTIFFS' ARGUMENT THAT ELECTRONIC DATABASES SHOULD NOT BE CLASSIFIED AS "REVISIONS"

Section 201 of the Copyright Act of 1976 allows transferees of copyrights to exercise the "privilege" of "reproducing and distributing" the contribution to a collective work, and any "revision of" that collective work.<sup>111</sup> The defendant publishers in *Tasini* claim that they are within their rights under the statute since the on-line use and the CD-ROMs are nothing more than revisions of the original collective work, the magazine or newspaper. Judge Sotomayor agreed with the defendants on this point and granted their motion for summary judgment.<sup>112</sup> In her decision, Judge Sotomayor wrote, "[b]y retaining the publisher defendants' original selection of articles, however, the electronic defendants have managed to retain one of the few defining original elements of the publishers' collective works. In other words, NEXIS and UMI's CD-ROMs carry recognizable versions of the publisher defendants' newspapers and magazines. For the purposes of Section 201(c) then, defendants have succeeded at creating 'any revisions' of those collective works."<sup>113</sup>

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<sup>111</sup> 17 U.S.C. § 201 (1996).

<sup>112</sup> *Tasini*, 972 F. Supp. at 827.

<sup>113</sup> *Id.* at 825.

The plaintiffs strongly disagreed with Judge Sotomayor's characterization of the electronic databases.<sup>114</sup> In the preface to the Plaintiffs' Memorandum of Law in Support of Their Motion for Summary Judgment on the Issue of Liability, Emily Bass, attorney for the plaintiffs wrote, "[t]his is a case about spare parts and the used vehicles they come from—vehicles that bear a striking resemblance to used cars . . . ."<sup>115</sup> She went on to analogize the way that used cars are sold off in pieces when the owner can get more money for them as scrap, to a publishers' selling off of magazine articles after their use for current print publication is exhausted.<sup>116</sup>

One of the preeminent copyright cases in this area is *Feist Publications, Inc. v. Rural Telephone Service, Inc.*, which held that the Constitution requires some degree of originality in order for a work to be afforded copyright protection.<sup>117</sup> In that case, the Court held that no infringement occurred when a telephone book publisher used the listings from a local phone book.<sup>118</sup> All that was "taken" from the local phone directory was the names, addresses and phone numbers.<sup>119</sup> The Court held that the rural phone directories publisher had not contributed any originality to the contents of the directory, and therefore, it was not protected by copyright.<sup>120</sup>

In *Tasini*, involving a collective work, the copyright in the collective work as a whole (as opposed to the copyright in the individual articles making up the collective work) extends only to the compiler's exercise of original arrangement, decoration, style, selection, or the like. Unlike the phone directory in *Feist*, magazines are comprised of many "original" additions beyond the articles they contain.

Magazines are mediums exemplifying that collective works are more than the sum of their articles. Stylistic choices made in

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<sup>114</sup> See generally *Tasini*, *supra* note 71.

<sup>115</sup> Plaintiffs' Memorandum Of Law In Support Of Their Motion For Summary Judgment On The Issue Of Liability at 1, *Tasini* (No. 93 Civ. 8678(SS)).

<sup>116</sup> *Id.* at 1-2.

<sup>117</sup> 499 U.S. 340 (1991).

<sup>118</sup> *Id.* at 364.

<sup>119</sup> *Id.* at 343.

<sup>120</sup> *Id.* at 363-64.

*Newsweek* or *Time* set each magazine apart from other magazines such as *Rolling Stone* or *Playboy*, though both types of magazines are likely to contain articles about current events and popular culture. The market for each publication is different and consumer tastes are reflected in the way each magazine is marketed. Despite these “decorative” variations, the articles may be very similar. If one were to strip away all logos, designs, and arrangements, and provide only the texts of the articles, a casual consumer would likely be hard pressed to identify the origin of all but the most obvious pieces. The difference in styles is what makes some magazines stand out on the newsstand rack. When that style is stripped away, the publisher’s originality also disappears.<sup>121</sup> However, this was not the conclusion reached by the *Tasini* court.

The defendants and the district court seem to believe that the selection of the article in the first place is all that is required for sufficient originality under 201(c). They conclude that since the article the publisher selected is the one placed onto the CD-ROM or on-line electronic database, that original selection is retained. The publishers “tag” their articles when they convert the piece from print to electronic form. According to the defendants and the court, readers know the publication and the issue in which the article originally appeared and any originality embodied in the selection of the article for publication is preserved in the “revision.” This argument, if allowed by the courts, would permit the publishers to use an article in any desired form simply by calling it a permissible revision.

Even though the threshold for originality is low, the Court has said that it is a threshold.<sup>122</sup> Lowering the threshold for originality of collective works to the point that selection and labeling suffice eradicates any meaningful threshold. It seems that the periodicals really have been stripped down to their bare bones, the articles, and sold off in pieces for reuse, just as the plaintiffs described in their initial complaint.<sup>123</sup> This low threshold lies in

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<sup>121</sup> See 17 U.S.C. § 201(c) (“Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole . . . .”)

<sup>122</sup> *Feist*, 499 U.S. at 346.

<sup>123</sup> Plaintiffs’ Memorandum of Law In Support Of Their Motion For Summary Judgment On The Issue Of Liability at 1-2, *Tasini* (No. 93 Civ. 8678 (SS)).

tension with the “significant original aspect”<sup>124</sup> the court also requires. The *Feist* standard, being constitutional in nature, deserves more respect from the court.

#### IV. EPILOGUE (AND A SILVER LINING)

Where do the *Tasini* plaintiffs go from here? For certain, Jonathan Tasini, his fellow plaintiffs, and the National Writers Association have not surrendered. An appeal is possible. However, the extensive discovery and litigation was expensive, and the attorneys involved may not have the resources to continue against the media giants.<sup>125</sup> In Mr. Tasini’s view, the war is not over, “[t]his decision merely shifts the venue of the battle to Congress, where several legislators have already indicated support for copyright legislation that will correct the court’s interpretation of the law.”<sup>126</sup> Even Judge Sotomayor suggested in her decision that “[i]f Congress agrees with plaintiffs that, in today’s world of pricey electronic information systems, Section 201(c) no longer serves its intended purposes, Congress is of course free to revise that provision to achieve a more equitable result.”<sup>127</sup> It is indeed interesting and revealing that at the end of the opinion, just before the defendants’ motion for summary judgment was granted, the judge implied that this decision is not equitable.<sup>128</sup>

The National Writers Union has proposed another solution to deal with the problem of unauthorized secondary usage of their works. By 1996, the NWU established the Publication Rights Clearinghouse (PRC).<sup>129</sup> The Clearinghouse is designed to function for writers much as the American Society of Composers,

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<sup>124</sup> *Tasini*, 972 F. Supp. at 821.

<sup>125</sup> Emily Bass of Burstein and Bass stated in a telephone conversation with the author of this note that while she disagreed with the decision, the future of the case was in doubt because of the financial burden of litigation. Interview with Emily Bass, attorney at Burstein and Bass (Sept. 1, 1997).

<sup>126</sup> National Writers Union, *Tasini et al vs The New York Times et al and the Future of Copyright* (last modified Feb. 8, 1997) <<http://www.igc.apc.org/nwu/tvt/tvtcopyr.htm>>.

<sup>127</sup> *Tasini*, 972 F. Supp. at 827.

<sup>128</sup> *Id.*

<sup>129</sup> National Writers Union, *The Publication Rights Clearinghouse the National Writers Union Solution*, (last modified Aug. 14, 1997) <<http://igc.apc.org/nwu/tvt/tvtprc.htm>>.

Authors, and Publishers (ASCAP) does for musicians.<sup>130</sup> By using available technology, the PRC will track licensees' usage of articles in the Clearinghouse. The NWU explains that functionally,

PRC enrolls freelance writers who have retained secondary rights to previously published articles. Those articles become part of a PRC "repertoire" that, in turn, is licensed to database companies. The companies collect royalties on customer orders from the PRC repertoire and send them to PRC in lump sums; PRC breaks down and distributes the money to authors.<sup>131</sup>

Jonathan Tasini, a charter member of the PRC, president of the NWU,<sup>132</sup> and lead plaintiff in the *Tasini* litigation, believes, "[t]he ultimate solution is a one-stop worldwide multimedia clearance center. PRC's early success shows that this is real and possible."<sup>133</sup> Unfortunately, the incentive of major publishers to negotiate with the PRC may have greatly diminished in the post-*Tasini* media industry.

Although publishers are now entitled to exploit the electronic rights of those freelance authors who are the very source of the publishers income, there may be a silver lining for the writer. This decision will likely lead to more on-line use of the articles printed in the magazines and newspapers. In turn, these writers' works will be exposed to more people than they otherwise would in print. And, while a newspaper or magazine article is well suited to on-line browsing, longer works, such as short stories and novels, are not. Most people still like to read from "real paper" and not a computer monitor. This could result in greater name recognition for the writers while giving their audience a taste of their work. Assuming the audience likes what it reads on-line, other printed works by these authors will likely receive a boost in sales from the audience that discovered the author on-line. Greater access could easily lead to greater sales.

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<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

<sup>132</sup> *Id.*

<sup>133</sup> *Id.*

One might ask why people would buy what they can access on-line for free. The fact is that most people would rather not read large volumes of works on the computer screen, and most consumers are not so cheap that they will try to save a few dollars by printing and binding pages and pages of a work. If the average consumer likes something seen on-line, he or she will most likely purchase the hard copy.

This may not seem like much of a “silver lining” to the *Tasini* plaintiffs who are proceeding with litigation as a matter of principle as much as they are seeking financial compensation. However, unless the appellate courts change their current stance or Congress acts on the matter, it may be all they have.

RYAN J. SWINGLE